

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	16336	Agenda Number	51.
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Meeting Date:	September 27, 2012
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Department:	Purchasing
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## Subject

Authorize award and execution of Amendment No. 2 to the contract with BUTLER BROADCASTING COMPANY LTD, for the lease of, access to, and space on the Butler Radio Tower, located on Trail of the Madrones Drive for the mounting of communications for the City and the Greater Austin-Travis County Regional Radio System partners, to increase the contract in an estimated amount not to exceed \$576,000 for years 12 through 15 of the lease, for a total revised contract amount not to exceed \$3,456,000.

## Amount and Source of Funding

Funding in the amount of \$147,873 is available in the Fiscal Year 2012-2013 Proposed Operating Budget of Communications and Technology Management, Wireless Communication Services Fund. Funding for the remaining 3 years of the contract is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Sole Source.
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Prior Council Action:	
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For More Information:	Brenda Helgren, Senior Buyer, 974-9141
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Boards and Commission Action:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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## Additional Backup Information

This contract provides the Wireless Communication Services Division with the right to access and use space on the Butler Radio Tower, located on Trail of the Madrones Drive, approximately a half mile from Mount Larson in west Austin, for mounting of communication equipment for the City and the Greater Austin-Travis County Regional Radio System partners. The geographical location of the Butler Radio Tower is essential to the regional network's communication coverage for this area.

On July 19, 2001, the Austin City Council approved Resolution No. 010719-13 for a 15-year lease of the Butler Radio Tower in an amount not to exceed \$1,440,000, with one 15-year extension option in an amount not to exceed \$1,440,000, for a total contract amount not to exceed \$2,880,000. The recommendation for the 2001 Council action specified a 15-year extension option; the original lease agreement itself at paragraph 5 stipulated a 10-year extension option. This discrepancy was rectified on March 28, 2012, with execution of Amendment No. 1 to the original contract (signed by the Purchasing Office and Butler Broadcasting Co.), which amended paragraph 5 to stipulate a 15-year extension option.

The amount requested in the original RCA for the 15-year contract and the extension did not take into consideration the escalation clause established in the contract.

Butler Tower Lease			
Payments made to Butler as part of this lease agreement			
DESCRIPTION	Action	Term	Contract Payments
15-Year Lease	Year 1 Lease Fee	07/10/02-02/28/03	\$95,400.00
	Year 2 Lease Fee	03/01/03-02/28/04	\$107,400.00
	Year 3 Lease Fee	03/01/04-02/28/05	\$119,400.00
	Year 4 Lease Fee	03/01/05-02/28/06	\$119,400.00
	Year 5 Lease Fee	03/01/06-02/28/07	\$127,845.68
	Year 6 Lease Fee	03/01/07-02/28/08	\$131,969.73
	Year 7 Lease Fee	03/01/08-02/28/09	\$137,380.49
	Year 8 Lease Fee	03/01/09-02/28/10	\$137,380.49
	Year 9 Lease Fee	03/01/10-02/28/11	\$137,380.49
	Year 10 Lease Fee	03/01/11-02/28/12	\$139,435.32
	Year 11 Lease Fee	03/01/12-02/28/13	\$143,565.98
Proposed Amendment No. 2			

	Year 12 Lease Fee	03/01/13-02/28/14	\$147,872.96*
	Year 13 Lease Fee	03/01/14-02/28/15	\$152,309.15*
	Year 14 Lease Fee	03/01/15-02/28/16	\$156,878.42*
	Year 15 Lease Fee	03/01/16-02/28/17	\$161,584.78*

Annual Lease estimated amounts for years 12 through 15 are indicated by the asterisk (\*)

Butler Tower Lease			
Contract Amounts Details			
DESCRIPTION	Action	Term	Contract Amounts
Original lease		15 years	\$1,440,000
Extension Option 1		15 years	\$1,440,000
Proposed Amendment 2	Increase for years 12-15 of original lease		\$576,000
Lease total			\$3,456,000